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Ms. Marlene Dortch Secretary Federal Communications Commission 445 12th Street, S.W. Room TW-A325 Washington, D.C. 20554

Re: Ex Parte Notice

Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions, GN Docket No. 12-268; Policies Regarding Mobile Spectrum Holdings, GN Docket No. 12-269

Dear Ms. Dortch:

On July 16, 2013, Tom Sugrue, Kathleen Ham, Steve Sharkey, and Chris Wieczorek of T-Mobile USA, Inc. ("T-Mobile") and Trey Hanbury of Hogan Lovells US LLP (counsel to T-Mobile USA, Inc.) met with Commissioner Ajit Pai and members of his staff, including Matthew Berry, Courtney Reinhard, Ian Moore, Bryan Cleveland, and Joshua Cox. During the meeting, the participants discussed the attached slides and paper.

Participants explained that the incentive auction will fail if too few participants join the bidding. The dominant incumbents have the ability and incentive to shut out competitors from acquiring the low-frequency resources they need to compete. If defeat seems inevitable, smaller carriers will not incur the costs involved in planning for and participating in the 600 MHz auctions. And without competitive pressure from smaller bidders, the two dominant incumbents will acquire the auctioned spectrum at belowmarket rates, reducing auction revenues and further constraining competition.

To prevent this anti-competitive outcome and ensure ample auction revenues, the Commission should adopt reasonable, pro-competitive spectrum-aggregation limits. No one has proposed to exclude any bidder from the incentive auction. Every carrier should be able to compete – and win – their fair share of licenses. But no carrier should be allowed to win *all* of the licenses. As explained in greater detail in the record, T-

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Mobile has proposed that, on a going forward basis, no one carrier be able to acquire more than one third of all of the spectrum below 1 GHz.

By increasing participation and encouraging robust bidding, pro-consumer spectrum aggregation limits have the potential to *increase* auction revenues. T-Mobile is confident enough in securing ample revenues from the auction that it has proposed a market test of the revenue effect of spectrum-aggregation limits. Under the Dynamic Market Rule, the Commission would first run the forward auction with the spectrum-aggregation limit in place. If the auction meets or exceeds the revenue target, the auction ends. If not enough revenue is raised, the spectrum limits are relaxed one license at a time until the revenue targets are met or all limits are gone. If all limits are lifted and there is still not enough revenue, then the auction resumes with a lower clearing target as normal. By relying on actual bids rather than predictions of bidder behavior, the Dynamic Market Rule allows the market to determine the appropriate level of spectrum-aggregation limits and removes any risk of insufficient auction revenue.

Participants also explained that any band plan the Commission adopts should maximize the amount of paired spectrum available for auction and minimize the need for guard bands. T-Mobile's representatives emphasized that its 35x35 MHz Down from 51 band plan represents the best balance between maximizing the amount of available spectrum and minimizing the potential for harmful interference. This plan maximizes both the total amount of paired broadband spectrum available for competitive bidding and the efficiency of the wireless broadband allocation created, allowing up to three competitors each to acquire enough contiguous spectrum to operate at high levels of efficiency.

T-Mobile's band plan also offers flexibility to account for variable levels of spectrum in different geographic markets. In spectrum-clearing scenarios where less than 84 MHz is cleared, the plan places broadcast incumbents that cannot be relocated below Channel 37 in the uplink spectrum. Rather than indiscriminately introducing a guard band under all clearing scenarios, T-Mobile's plan also avoids adding a guard band until it is absolutely needed. This approach preserves a significant amount of valuable, paired spectrum for broadband use. T-Mobile's representatives cautioned the Commission against settling for a "lowest common denominator" plan that fails to take advantage of spectrum that is available in some markets, but not others. Auctioning as much of the spectrum that the reverse auction makes available will increase both auction revenue and competitive opportunity.

The participants closed the meeting by discussing T-Mobile's other spectrum priorities, including pairing the 1755-1780 MHz band with the AWS-3 band. The T-Mobile representatives noted that the wireless industry has created a roadmap for clearing and sharing with federal systems in the band and emphasized their support for the Commission's plan to auction the 1755-1780 MHz band. The band is immediately adjacent to existing domestic wireless spectrum and would fit seamlessly into the

current mobile broadband spectrum portfolio allowing for more immediate equipment development and deployment.

Pursuant to Section 1.1206(b)(2) of the Commission's rules, an electronic copy of this letter is being filed for inclusion in the above-referenced docket. Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,

/s/ Trey Hanbury

Trey Hanbury Counsel to T-Mobile USA, Inc.

Attachment A Attachment B

cc: Ajit Pai

Matthew Berry Courtney Reinhard Ian Moore Bryan Cleveland

Joshua Cox